

## Message Text

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70

ACTION EA-14

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-04 PRS-01 USIA-15 DRC-01 /152 W

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R 210004Z AUG 74

FM AMCONSUL SYDNEY

TO SECSTATE WASHDC 5687

INFO AMEMBASSY CANBERRA

UNCLAS SYDNEY 1769

E.O. 11652: N/A

TAGS: ECON, BBAK, AS

SUBJ: CREDIT SQUEEZE TAKES TOLL

SYDNEY-BASED MAINLINE CORPORATION, ONE OF AUSTRALIA'S LARGEST DEVELOPMENT AND CONSTRUCTION GROUPS, WAS PLACED IN RECEIVERSHIP AUGUST 19 AS A DIRECT RESULT OF THE LOCAL CREDIT SQUEEZE. ACCORDING TO COMPANY OFFICIALS LABOR DISPUTES OVER THE PAST YEAR HAVE ALSO CONTRIBUTED TO MAINLINE'S PROBLEMS.

THE APPOINTMENT OF A RECEIVER MEANS MAINLINE WILL BE STRIVING TO MAINTAIN ITS NORMAL OPERATIONS, THOUGH FINAL ARRANGEMENTS WILL DEPEND ON AGREEMENT OF CREDITORS. ON JULY 22 MAINLINE ANNOUNCED IT HAD CONTRACTS IN HAND WORTH 281 MILLION AUSTRALIAN DOLLARS. AND ADDITIONAL 13.1 MILLION OF CONTRACTS ARE SAID TO HAVE BEEN WRITTEN

SINCE THEN. THESE FIGURES DO NOT INCLUDE THE FIRMS INVESTMENTS IN CALIFORNIA, HAWAII, FIJI AND NEW ZEALAND. MAJOR AUSTRALIAN PROJECTS UNDER CONSTRUCTION INCLUDE SYDNEY'S AMP CENTRE AND MELBOURNE'S COLLINS PLACE OFFICE PROJECT.

MAINLINE SHARES FELL TO A LOW OF 23 CENTS IN TRADING YESTERDAY COMPARED TO 1974 HIGH OF 2.62 AND 1973 PEAK OF 7.20.

TRADING IN MAINLINE SHARES HAS BEEN SUSPENDED.

COMMENT: MAINLINE BECOMES THE THIRD MAJOR COMPANY IN ITS

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FIELD TO RUN INTO LIQUIDITY PROBLEMS - LEIGHTON HOLDINGS AND

HOME UNITS OF AUSTRALIA HAVE ALSO FELT THE SQUEEZE. WHILE IMPACT  
OF THIS RECEIVERSHIP SHOULD NOT BE EXAGGERATED, IT MAY THEREFORE BE  
REGARDED AS HAVING A SIGNIFICANCE BEYOND ITS OWN IMMEDIATE  
IMPACT.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, BANKRUPTCIES, BUSINESS LOSSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Action:** RELEASED, APPROVED  
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**Review Content Flags:**  
**Review Date:** 24 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
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30 JUN 2005

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CREDIT SQUEEZE TAKES TOLL SYDNEY-BASED MAINLINE CORPORATION, ONE OF AUSTRALIA'S LARGEST  
**TAGS:** ECON, BBAK, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005